

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT			1. CONTRACT ID CODE		PAGE OF PAGES 1 9		
2. AMENDMENT/MODIFICATION NO. 0004		3. EFFECTIVE DATE 05 NOV 03		4. REQUISITION/PURCHASE REQ. NO.		5. PROJECT NO. (If applicable)	
6. ISSUED BY DEFENSE ENERGY SUPPORT CENTER 8725 John J. Kingman Road, Suite 4950 Ft. Belvoir, VA 22060-6222 P. BURKE/DFSC-PLC/703-767-9503 FAX - 703-767-8506		CODE SP0600		7. ADMINISTERED BY (If other than Item 6)		CODE	
8. NAME AND ADDRESS OF CONTRACTOR (NO., street, city, county, State, and ZIP Code)				(✓)		9A. AMENDMENT OF SOLICITATION NO. SP0600-01-R-0059-0002	
				X			
						9B. DATED (SEE ITEM 11) JUN 6, 2003	
						10A. MODIFICATION OF CONTRACT/ORDER NO.	
Bidder Code				CAGE Code			
CODE				FACILITY CODE		10B. DATED (SEE ITEM 13)	
11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS							
<p>[X] The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers [X] is extended, [] is not extended SEE BLOCK 14</p> <p>Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:</p> <p>(a) By completing Items 8 and 15, and returning <u> 1 </u> copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.</p>							
12. ACCOUNTING AND APPROPRIATION DATA (If required)							
13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.							
A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.							
B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b)							
C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:							
d. OTHER Specify type of modification and authority							
E. IMPORTANT: Contractor [] is not, [] is required to sign this document and return <u> </u> copies to the issuing office.							
14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible). CUSTOMER ORGANIZED GROUP 7 – (COG 7) -- PURCHASE PROGRAM 3.27							
1. This is Amendment 0004 to the Solicitation. ACKNOWLEDGEMENT OF AMENDMENTS: All offerors must acknowledge receipt and acceptance of all amendments to the solicitation. You may do so by filling your name in Block 8 and signing and dating (blocks 15A, 15B, and 15C) of the Standard Form 30, and returning the amendment or by facsimile to (703) 767-8506.							
2. The offer closing date is hereby re-opened for all Solicited Line Items , due to revision of the Biodiesel Specification, Clause C16.27 and revised Tax Clauses requiring state and local taxes to be included in contract							
Except as provided herein, all terms and conditions of the document referenced in Items 9A or 10A, as heretofore changed, remain unchanged and in full force and effect.							
15A. NAME AND TITLE OF SIGNER (Type or print)				16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print)			
15B. CONTRACTOR/OFFEROR				15C. DATE SIGNED		16B. UNITED STATES OF AMERICA	
(Signature of person authorized to sign)						(Signature of Contracting Officer)	
						16C. DATE SIGNED	

AMENDMENT 0004
SP0600-01-R-0059-0002

unit prices. Offerors are requested to review and revise their initial offers or submit new offers under this solicitation. Two new biodiesel items are added to Clause B1.01-2 SUPPLIES TO BE FURNISHED (DOMESTIC PC&S) (PORTS INTERNET APPLICATION) (DESC MAR 1999) in Paragraph 4 below. The **offer closing date for the Solicitation is hereby extended to 2:00 P.M. EST** (local time Fort Belvoir, VA), **14 November 2003.**

3. In accordance with revised Tax Clause I28.02-2, ALL applicable State and Local Taxes, Environmental and Oil Spill Taxes and Fees must be included in the offer prices. Federal Excise Tax, as applicable, will continue to be billed as a separate line item. Each offer must include a listing of all taxes and fees, with the applicable tax rate, included in the offer price, e.g:

Taxes and fee included in offer price:

State Excise Tax	\$X.XXXX
Inspection Fee	\$X.XXXX
Spill Fee	<u>\$X.XXXX</u>
Total Fees/Taxes	\$X.XXXX

4. A. Clause B1.01-2 SUPPLIES TO BE FURNISHED (DOMESTIC PC&S) (PORTS INTERNET APPLICATION) (DESC MAR 1999) is modified to add additional line items, as follows:

ITEM
NUMBER

ESTIMATED
QUANTITY UI

UNITED STATES NAVY

SAN DIEGO
CA, NAVY, NAVAL OCEANS SYSTEMS CENTER,
(FOR PWC SAN DIEGO)
SAN DIEGO COUNTY
DELIVERY DODAAC: N63387
BILLING DODAAC : N63387
ORDERING OFFICE: 619-556-1583

614-BD BIODIESEL B20 (BDI)
PORTS ACTIVE

9,200 GL

TANK WAGON (TW), INTO
1/2,000 GALLON
DELIVERY HOURS: 0730-1330
MONDAY THROUGH FRIDAY EXCLUDING HOLIDAYS
ESCORT REQUIRED. DRIVER TO CALL 619-556-7614
PRIOR TO LEAVING REFINERY
EST QTY IS FOR 10 MONTHS (NOV 2003 - AUG 2004)
THIS FUEL IS CAPITALIZED

ITEM
NUMBER

ESTIMATED
QUANTITY UI

UNITED STATES NAVY

SAN DIEGO
CA, NAVY, NAVAL BASE, (FOR PWC SAN DIEGO)
SAN DIEGO COUNTY
DELIVERY DODAAC: N63387
BILLING DODAAC : N63387
ORDERING OFFICE: 619-556-1583
ORDERING DODAAC: N63387

616-BD BIODIESEL B20 (BDI) 127,800 GL
 PORTS ACTIVE

TANK WAGON (TW), INTO
2/8,000 GALLON BELOW GROUND TANK(S)
AT BLDG 305
DELIVERY HOURS: 0730-1400 MONDAY THRU FRIDAY
EXCLUDING HOLIDAYS
UNMANNED, PRIOR TO ARRIVAL, DRIVER TO CALL
619-556-7614 TO HAVE TANKS UNLOCKED
EST QTY IS FOR 10 MONTHS (NOV 2003-AUG 2004)
NORMAL ORDER IS 5,000 GALS
THIS FUEL IS CAPITALIZED

5. The **Base Reference date and prices** listed in **OSP Attachment 2, as amended by Amendments 0001, 0002, and 0003 of the Solicitation remain EFFECTIVE MAY 19, 2003.** Base Reference prices for new line items listed in paragraph 4 above are as follows:

ITEM	LOCATION	STATE	MARKET AREA	PUBLICATION	BASE REF. PRICE
614-BD	SAN DIEGO	CA	A	OPIS Los Angeles CARB	\$0.8284
616-BD	SAN DIEGO	CA	A	OPIS Los Angeles CARB	\$0.8284

6. The following versions of the listed clauses are hereby deleted from the Solicitation. Revised versions apply and are included in full text. An index follows to clarify where new/revised versions are located.

- A. Clause C16.27 FUEL, BIODIESEL (B20) (DESC SEP 2003)
- B. Clause I28.01 FEDERAL, STATE AND LOCAL TAXES (DESC JUN 2002) (DEVIATION)
- C. Clause I28.02-2 FEDERAL, STATE, AND LOCAL TAXES AND FEES (DESC FEB 2003)
- D. Clause I28.03-2 TAX EXEMPTION CERTIFICATES (DESC NOV 2001)

6. The following line items are not on-going requirements and are cancelled entirely from this Solicitation:

ITEM	LOCATION	STATE	ESTIMATED QUANTITY / USG
821-24 // 28	NORTH HIGHLANDS	CA	1,000
841-081	VANDENBERG AFB	CA	2,000
841-082	VANDENBERG AFB	CA	1,200

7. The following revised clauses are added to this solicitation and are included in full text, on the pages noted in the index.

INDEX

CLAUSE NO.	CLAUSE TITLE	PAGE
B1.01-2	SUPPLIES TO BE FURNISHED (DOMESTIC PC&S) (PORTS INTERNET APPLICATION) (DESC MAR 1999)	2

ADDENDUM 2 – POST-AWARD CONTRACT CLAUSES

CLAUSE NO.	CLAUSE TITLE	PAGE
B19.19	ECONOMIC PRICE ADJUSTMENT (PC&S) (DESC MAR 2003)	4
C16.27	FUEL, BIODIESEL (B20) (DESC OCT 2003)	6
I28.01	FEDERAL STATE AND LOCAL TAXES (DESC AUG 2003) (DEVIATION)	7
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B19.19 ECONOMIC PRICE ADJUSTMENT (PC&S) (DESC MAR 2003)

(a) **WARRANTIES.** The Contractor warrants that--

(1) The unit prices set forth in the Schedule do not include allowances for any portion of the contingency covered by this clause;

and

(2) The prices to be invoiced hereunder shall be computed in accordance with the provisions of this clause.

(b) **DEFINITIONS.** As used throughout this clause, the term--

(1) **Base price** means--

(i) The unit price offered for an item and included in the contract award schedule; or

(ii) During any subsequent program year, either the effective contract price as of the start of the subsequent program year, or the price agreed upon as of the start of the subsequent program year.

(2) **Base reference price** means the preselected reference price for an item as published on **19 May 2003**. In the event one or more applicable reference prices are not (or were not) published on the date shown, then the term **base reference price** means the preselected reference price for an item as published on the date nearest in time prior to the date shown.

(3) **Reference price** means that published reference price or combination of published reference prices preselected by the Government for price adjustment for individual items by product, market area, and publication as specified in (f) below.

Clause B19.19 Continued

(4) **Date of delivery** means--

(i) **FOR TANKER OR BARGE DELIVERIES.**

(A) **F.O.B. ORIGIN.** The date and time vessel commences loading.

(B) **F.O.B. DESTINATION.** The date and time vessel commences discharging.

(ii) **FOR ALL OTHER TYPES OF DELIVERIES.** The date product is received on a truck-by-truck basis.

(5) **Calendar week** means a consecutive seven-day period, beginning with whichever day of the week is specified in (c)(1) below.

(c) **ADJUSTMENTS.** Contract price adjustments shall be provided via notification through contract modifications and/or posting to the DESC web page under the heading **Doing Business with DESC** to reflect any price change pursuant to this clause.

(1) **DAY OF PUBLICATION.**

(i) **PLATT'S BUNKERWIRE AND BUNKERFUELS REPORT.** For items employing Platt's Bunkerwire or Bunkerfuels Report as an escalator, the reference price in effect on the date of delivery shall be that item's preselected reference price that is published on the **Tuesday** of the calendar week in which the delivery is made, or, in the event there is no publication on Tuesday of that week, it shall be the item's preselected reference price published on the previous Tuesday.

(ii) **OTHER PUBLICATIONS.** Except for items employing Platt's Bunkerwire or Bunkerfuels Report as an escalator, the reference price in effect on the date of delivery shall be that item's preselected reference price that is published on the **Monday** of the calendar week in which the delivery is made, or, in the event there is no publication in that week, it shall be the item's preselected reference price as last previously published.

(2) **CALCULATIONS.** The prices payable hereunder shall be determined by adding to the award price the same number of cents, or fraction thereof, that the reference price increases or decreases, per like unit of measure. All arithmetical calculations, including the final adjusted unit price, shall be carried to six decimal places, truncated.

(i) If averages are published within a given publication, then these averages will be used.

(ii) If averages are not available within a given publication, manually calculated averages will be used.

(3) **REVISION OF PUBLISHED REFERENCE PRICE.** In the event--

(i) Any applicable reference price is discontinued or its method of derivation is altered substantially; or

(ii) The Contracting Officer determines that the reference price consistently and substantially failed to reflect market

conditions--

the parties shall mutually agree upon an appropriate and comparable substitute for determining the price adjustments hereunder. The contract shall be modified to reflect such substitute effective on the date the reference price was discontinued, altered, or began to consistently and substantially fail to reflect market conditions. If the parties fail to agree on an appropriate substitute, the matter shall be resolved in accordance with paragraph (d), Disputes, of the CONTRACT TERMS AND CONDITIONS - COMMERCIAL ITEMS clause of this contract.

(4) **FAILURE TO DELIVER.** Notwithstanding any other provisions of this clause, no upward adjustment shall apply to product scheduled under the contract to be delivered before the effective date of the adjustment, unless the Contractor's failure to deliver according to the delivery schedule results from causes beyond the Contractor's control and without its fault or negligence within the meaning of paragraphs (f), Excusable Delays, and (m), Termination for Cause, of the CONTRACT TERMS AND CONDITIONS - COMMERCIAL ITEMS clause of this contract, or is the result of an allocation made in accordance with the terms of the ALLOCATION clause of this contract, in which case the contract shall be amended to make an equitable extension of the delivery schedule.

(5) **UPWARD CEILING ON ECONOMIC PRICE ADJUSTMENT.** The Contractor agrees that the total increase in any contract unit price pursuant to these economic price adjustment provisions shall not exceed **60%** percent of the base price in any applicable program year (whether a single year or a multiyear program), except as provided hereafter.

(i) If at any time the Contractor has reason to believe that within the near future a price adjustment under the provisions of this clause will be required that will exceed the current contract ceiling price for any item, the Contractor shall promptly notify the Contracting Officer in writing of the expected increase. The notification shall include a revised ceiling the Contractor believes is sufficient to permit completion of remaining contract performance, along with an appropriate explanation and documentation as required by the Contracting Officer.

(ii) If an actual increase in the reference price would raise a contract unit price for an item above the current ceiling, the Contractor shall have no obligation under this contract to fill pending or future orders for such item, as of the effective date of the increase, unless the Contracting Officer issues a contract modification to raise the ceiling. If the contract ceiling will not be raised, the Contracting Officer shall so promptly notify the Contractor in writing.

(d) **EXAMINATION OF RECORDS.** The Contractor agrees that the Contracting Officer or designated representatives shall have the right to examine the Contractor's books, records, documents, or other data the Contracting Officer deems necessary to verify Contractor adherence to the provisions of this clause.

Clause B19.19 Continued

(e) **FINAL INVOICE.** The Contractor shall include a statement on the final invoice that the amounts invoiced hereunder have applied all decreases required by this clause.

(f) **PUBLICATIONS:** The following publication(s) is (are) used:

OPIS – Oil Price Information Service PAD Reports – Average price fore the city and product noted in Petroleum Market Areas and City listings in Clause B19.19, basic 0059-0002 Solicitation. New Biodiesel items Escalate with OPIS Los Angeles CARB [No. 2 Distillate High Sulfur].

(DESC 52.216-9F27)

C16.27 FUEL, BIODIESEL (B20) (DESC OCT 2003)

Offered product shall conform to the following requirements that define a fuel suitable for use in automotive diesel engines.

(a) **PRODUCT COMPOSITIONAL REQUIREMENTS.** Product shall consist of a blend of 20 percent (plus or minus one percent) mono-alkyl esters of long change fatty acids derived from virgin vegetable oil blendstock and/or yellow grease blendstock conforming to the requirements of ASTM D 6751 and 80 percent minimum low sulfur diesel fuel oil conforming to ASTM D 975, grade low sulfur number 1-D or grade low sulfur number 2-D.

(b) **PRODUCT PERFORMANCE REQUIREMENTS.** The finished biodiesel blend shall conform to the following requirements:

<u>TEST</u>	<u>METHOD</u>	<u>VALUE</u>
1. Appearance	ASTM D 4176, Procedure 1	Clear & Bright
2. Acid Number, mg KOH/g	ASTM D 664	0.2 max.
3. Density @ 15°C, kg/L or API Gravity @ 60°F	ASTM D 4052 ASTM D 1298	Report
4. Viscosity, mm/S at 40°C	ASTM D 445	1.3 - 4.1
5. Flashpoint, °C Oct - Mar: 38 min.	ASTM D 93	Apr - Sep: 52 min.
6. Cloud point, °C OR Cold Filter Plugging Point, °C	ASTM D 2500 ASTM D 6371	see (c) below see (c) below
7. Sulfur Content, mass % ASTM D 2622	0.05 max.	
8. Distillation Temperature, °C 10% point, °C 50% point, °C 90% point, °C, evaporated	ASTM D 86	Report Report 338 max.
9. Carbon Residue on 10% bottoms, mass %	ASTM D 524	0.35 max.
10. Cetane Number ASTM D 613	40 min.	
11. Ash Content, mass%	ASTM D 482	0.01 max.

Clause C16.27 Continued

12. Water and Sediment, volume%	ASTM D 2709	0.05 max.
13. Copper Corrosion, 3 hours @ 50°C	ASTM D 130	No. 3 max.

(c) **PRODUCT LOW TEMPERATURE PERFORMANCE.** The lower temperature performance of the B20 shall be defined by one of the following two properties: Cloud Point or Cold Filter Plugging Point (CFPP). Unless a more restrictive cloud point limit is specified in the contract schedule, the cloud point tested in accordance with ASTM D 2500 shall be equal to or lower than the tenth percentile minimum ambient temperature in the geographical area and seasonal timeframe in which the B20 is to be used, as specified in Appendix X4 of ASTM D 975. Unless a more restrictive CFPP limit is specified in the contract schedule, the maximum CFPP of the B20 shall be a minimum of 10 degrees Celsius below the tenth percentile minimum ambient temperature in the geographical area and seasonal timeframe in which the B20 is to be used, when tested in accordance with ASTM D 6371.

(d) **BLENDING.** Product shall be blended prior to delivery. Manifold blending at time of delivery and blending in the receipt tank is not permitted. The resultant blended product must meet all performance requirements specified in the contract.

(e) **ENVIRONMENTAL PROTECTION AGENCY (EPA) REGISTRATION.** B100 product must be EPA registered in accordance with 40 CFR Part 79, Registration of Fuels and Fuel Additives. The Contractor shall provide a copy of the EPA registration letter to the Contracting Officer at the time of offer.

(DESC 52.246-9FEL)

128.01 FEDERAL, STATE, AND LOCAL TAXES (DESC AUG 2003) (DEVIATION)

(a) As used in this clause--

(1) **After-imposed tax** means any new or increased Federal, State, or local tax that the Contractor is required to pay or bear the burden of as the result of legislative, judicial, or administrative action taking effect after the contract date.

(2) **After-relieved tax** means any amount of Federal, State, or local tax that would otherwise have been payable on the transactions or property covered by this contract, but which the Contractor is not required to pay or bear the burden of, or for which the Contractor obtains a refund or drawback, as the result of legislative, judicial, or administrative action taking effect after the contract date.

(3) **All applicable Federal and State taxes** means all excise taxes that the taxing authority is imposing and collecting on the transactions or property covered by this contract pursuant to written ruling or regulation in effect on the contract date.

(4) **Contract date** means the date set for bid opening or, if this is a negotiated contract or a modification, the date set for final revised prices.

(5) **Local taxes** means taxes levied by the political subdivisions of the States, District of Columbia, or outlying areas of the United States, e.g., cities and counties.

(6) **Outlying areas** means—

(i) **Commonwealths.** Puerto Rico and The Northern Mariana Islands;

(ii) **Territories.** American Samoa, Guam, and The U.S. Virgin Islands; and

(iii) **Minor outlying islands.** *Baker Island; Howland Island, Jarvis Island; Johnston Atoll; Kingman Reef; Midway Islands; Navassa Island; Palmyra Atoll; and Wake Atoll.*

(7) **State taxes** means taxes levied by the States, the District of Columbia, or outlying areas of the United States.

(8) **Tax** means taxes, duties and environmental or inspection fees, except social security or other employment taxes.

(b) The contract price includes all applicable Federal, State, and local taxes, except as otherwise provided. (See either the FEDERAL AND STATE TAXES/FEES EXCLUDED FROM CONTRACT PRICE clause or the FEDERAL, STATE, AND LOCAL TAXES AND FEES clause.)

(c) The contract price shall be increased by the amount of any after-imposed tax if the Contractor states in writing that the contract price does not include any contingency for such tax.

(d) The contract price shall be decreased by the amount of any after-relieved tax.

(e) The contract price shall also be decreased by the amount of any tax that the Contractor is required to pay or bear the burden of, or does not obtain a refund of, through the Contractor's fault, negligence, or failure to follow instructions of the Contracting Officer.

Clause I28.01 Continued

(f) The Contractor shall promptly notify the Contracting Officer of all matters relating to any tax that reasonably may be expected to result in either an increase or decrease in the contract price and shall take appropriate action as the Contracting Officer directs.

(g) The Government shall, without liability, furnish evidence appropriate to establish exemption from any Federal, State, or local tax when the Contractor requests such evidence and a reasonable basis exists to sustain the exemption.

(DESC 52.229-9F15)

I28.02-2 FEDERAL, STATE, AND LOCAL TAXES AND FEES (DESC OCT 2003)

(a) **FEDERAL EXCISE TAXES EXCLUDED.** Contract prices for fuel and fuels oils furnished under this contract exclude Federal Excise Taxes (FET). Contractors shall invoice applicable FET as follows:

(1) **GASOLINE/GASOHOL.** Unless an exemption applies, include the FET as a separate item on the Contractor's invoice.

(2) **AVIATION GASOLINE.** Unless an exemption applies, include the FET as a separate item on the Contractor's invoice.

NOTE: Use of aviation gasoline for military aircraft is tax-exempt.

(3) **FUEL OIL (BURNER GRADES) NUMBERS 1, 2, 4, 4 (LIGHT), 5 (LIGHT), 5 (HEAVY), AND 6.** There is no FET on fuel oils (burner grades). Lighter grades (numbers 1, 2, and 4 (light)) must be dyed. Contractors are responsible for obtaining fuel oils (burner grades numbers 1, 2, and 4 (light)) meeting Internal Revenue Service (IRS) dyeing requirements.

(4) **DIESEL AND NONAVIATION GRADE KEROSENE FUEL.**

(i) **UNDYED DIESEL AND UNDYED NONAVIATION KEROSENE FUEL.** Unless an exemption applies, include the FET as a separate item on the Contractor's invoice.

(ii) **DYED DIESEL AND DYED NONAVIATION KEROSENE FUEL.** There is no FET on dyed diesel and dyed nonaviation kerosene fuel.

(5) **JET FUEL.** Unless an exemption applies, include the FET as a separate item on the Contractor's invoice. **NOTE: Use of jet fuel for military aircraft is tax-exempt.**

(6) **BIODIESEL (B-20).** Unless an exemption applies, include the FET as a separate item on the Contractor's invoice.

(7) **E85 (QUALIFIED ETHANOL).** Unless an exemption applies, include the FET as a separate item on the Contractor's invoice.

(8) **EXEMPT SALES.** As noted above, use of jet fuel and aviation gasoline for military aircraft is tax exempt. Certain uses of gasoline, undyed diesel fuel, and undyed nonaviation kerosene may also be tax-exempt. Contractors authorized by the IRS to sell tax-free fuel should obtain exemption certificates for these sales and not invoice the FET. **A Contractor not permitted by IRS regulations to sell tax-free fuel must state that in its offer.**

(b) **STATE TAXES INCLUDED.** Unless an exemption applies, all contract prices **INCLUDE** State taxes. Examples of such taxes include excise, gross receipts, NORA, etc. The Contractor's invoice shall include a list of all State taxes that are included in the price, including the applicable rate.

(c) **LOCAL TAXES INCLUDED.** Unless an exemption applies, all contract prices **INCLUDE** local (city, county, etc.) taxes. The Contractor's invoice shall include a list of all local taxes that are included in the price, including the applicable rate.

(d) **ENVIRONMENTAL AND OIL SPILL TAXES AND INSPECTION FEES INCLUDED.** Unless an exemption applies, all contract prices **INCLUDE** State and local environmental and oil spill taxes and inspection fees.

(e) **LICENSES** Federal, State, and local licenses or other requirements necessary to establish Contractor's entitlement to do business and/or to make tax-exempt sales under this contract are the Contractor's responsibility. Failure to obtain appropriate licenses or to follow required procedures shall preclude the reimbursement of taxes that would otherwise be exempt.

(DESC 52.229-9F25)

128.03-2 TAX EXEMPTION CERTIFICATES (DESC OCT 2003)

(a) TAX EXEMPTION CERTIFICATES FOR MILITARY ACTIVITIES, INCLUDING THE NATIONAL GUARD.

(1) The Ordering Officer will issue tax exemption certificates for Federal Excise Tax (FET), where applicable.

(2) Tax exemption certificates for the FET will not be issued for Army National Guard and Air National Guard activities. DFAS Columbus will pay the FET and apply to the Internal Revenue Service (IRS) for any applicable refund.

(3) All military activities, including the National Guard, will issue tax exemption certificates for State and local taxes and fees, where applicable. Contractors shall forward requests for tax exemption certificates covering any State or local taxes or fees to the Ordering Officer. If the Ordering Officer fails to provide tax exemption certificates requested by the Contractor, the Contractor shall notify the DESC Contracting Officer and an exemption certificate shall be issued, if applicable. The DESC Contracting Officer may authorize payment of the tax if the Ordering Officer refuses to issue the tax.

(b) FEDERAL, STATE, AND LOCAL TAX EXEMPTIONS FOR FEDERAL CIVILIAN AGENCIES. Contractors shall forward requests for tax exemption certificates for Federal, State, and local taxes or fees to the Ordering Officer, when applicable.

(c) GOVERNMENT OPTION TO DEDUCT TAX AND FURNISH TAX EXEMPTION CERTIFICATES. If this contract provides that the Contractor should invoice for the FET, the supplies under contract are intended for a taxable purpose. However, where the invoice for any item includes the FET and tax exemption can be claimed, the Government may deduct the applicable tax from the order or the invoice and furnish a tax exemption certificate in lieu of paying the tax. The Ordering Officer will issue these tax exemption certificates.

(DESC 52.229-9F45)